



# TREASURER-TAX COLLECTOR

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DAN McALLISTER  
TREASURER-TAX  
COLLECTOR

LISA MARIE HARRIS  
CHIEF DEPUTY  
TREASURER

## TREASURY OVERSIGHT COMMITTEE MINUTES OF MEETING

July 23, 2008

### ATTENDANCE:

#### PRESENT:

##### Members:

Barry I. Newman, Public Member, Chairman  
Dan McAllister, Treasurer-Tax Collector  
Rence Wasmund, Public Member, Treasury Oversight,  
Chief Financial Officer, SANDAG  
Lora Duzyk, Asst. Superintendent, S. D. County Office of Education  
Tracy Sandoval, Asst. Chief Financial Officer, Auditor & Controller  
Vernon Evans, Public Member, Treasury Oversight Committee  
Annette Hubbell, Public Member, Public Member, Treasury Oversight

##### Ex-Officio Members

Donald Steuer, Chief Financial Officer

#### ABSENT:

Helen Robbins-Meyer, Assistant Chief Administrative Officer  
Chris Zapata, National City Manager, Public Member, Treasury Oversight  
Wilmer Cooks, President, Hallmark Asset Management  
Rachel Witt, Deputy County Counsel

#### County Staff:

Lisa Marie Harris, Deputy Treasurer, Treasury Division  
Rob Castetter, Chief Investment Officer, Treasurer-Tax Collector  
Mark Van Den Herik, Investment Officer, Treasurer-Tax Collector  
Orgia Senior, Administrative Secretary IV, Treasurer-Tax Collector  
Michelle Durgy, Investment Officer, Treasurer-Tax Collector  
Janel Pehau, Director, Auditor&Controller, OFP  
Bill Smith, Sr. Deputy County Counsel  
Rebecca Shobe, Accounting Manager, Treasurer-Tax Collector  
Erik Mezack, Assistant Accounting Manager, Treasurer-Tax Collector  
Dennis Gibson, Assistant Treasurer-Tax Collector  
Tanya Duggan, Special Projects Manager, Treasurer -Tax Collector

#### Guests:

Kay Chandler, President, Chandler Asset Management  
David Greenlaw, Sr. Economist, Morgan Stanley  
Margie Blackstrom, Morgan Stanley

1. **CALL MEETING TO ORDER**

Chairman, Mr. Barry Newman, called the meeting to order at 1:30 p.m. in Conference Room 162 of the County Administration Center.

2. **REQUEST BY PUBLIC TO ADDRESS THE TREASURY OVERSIGHT COMMITTEE ON ANY MATTER WITHIN THE COMMITTEE'S JURISDICTION**

There were no comments from members of the public for the Treasury Oversight Committee.

3. **APPROVAL OF JULY 23, 2008, MEETING AGREEMENTS/ACTIONS AND MINUTES.**

Mr. Newman asked for a motion to approve the minutes from the last meeting on July 23, 2008. Such a motion was made, seconded and approved by committee members.

4. **ECONOMIC UPDATE**

Mr. David Green, Chief U.S. Fixed Income Economist, at Morgan Stanley gave a Presentation on the U.S. Economic Outlook. In summary he explained current market conditions which included the following:

- Mortgage losses are substantial, yet modest relative to routine swings in the capital markets.
- The key is to compare losses to the capital base of financial intermediaries.
- Restoring equilibrium requires a rebuilding of the capital base of these institutions.
- There will be further de-leveraging as the intermediaries cut back on their risk exposure.
- Credit contractions can impact the aggregate economy.

5. **BENCHMARK PERFORMANCE**

Ms. Kay Chandler, from Chandler Asset Management, gave a presentation on Benchmark Performance. Ms. Chandler distributed copies of the Portfolio Summary to

committee members. She briefly explained the Portfolio Characteristics, Maturity Distribution, and Performance Review on the rate of return as of June 30, 2008.

## 6. **TREASURER'S PROJECTS**

- **Local Banking Initiative**

Mr. McAllister reported that regional banks have been attentive in participating in the banking initiative. Mr. McAllister stated that this is a good opportunity for the County to put money back in the economy.

Mr. McAllister commended Rob Castetter for doing a great job in working with the local banks.

- **RFSQ Broker/Dealer**

The department is currently reviewing the RFSQ Broker/Dealer proposals. A final decision for broker/dealers should be made by the end of August.

- **Upcoming OPEB & Debt Seminar**

The OPEB & Debt Seminar will be held on October 31, 2008, at the Marina Village Conference Center, 1936 Quivira Way, Dockside Room, San Diego, CA 92109 from 8:00 a.m. to 2:30 p.m.

- **Increasing Voluntary Participation in County Pool**

Mr. McAllister stated that he has contacted the offices of SANDAG, Metropolitan Transit System and the Water Authority to discuss their participation in the County Pool, and each have joined or will join the County Pool in the near future.

- **Portfolio Analytics – Yield Book**

The Yield book was purchased, and a series of training sessions for the Portfolio Analytics were implemented for the Investment staff.

7. The meeting adjourned at 3:00 p.m.

**Tour of New Treasury Offices**

Mr. McAllister gave committee members a tour of the newly remodeled office in Room 102.

**The next meeting will be held October 22, 2008**

Minutes taken by: Orgia Senior, Administrative Secretary